Food Subsidy

1029. SHRI KARNENDU BHATTACHARJEE: : Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item appering in the 'Business Standard' on 29th May, 2001 entitled "Budgeted food subsidy of Rs. 13,675 crore may shoot up";

(b) if so, the details thereof and the reasons therefor; and

(c) What steps are proposed to be taken to contain food subsidy within the budgeted limit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) It is too early to assess any variation from the budgeted Outlay of Rs. 13,675 crore for food subsidy in 2001-2002 Budget.

(c) The food subsidy has substantially gone up in recent times due to higher levels of procurement and poor off-take under the Public Distribution System and through Open Market Sale. Efforts have been made recently to reduce the level of food stocks by lowering Central Issue Prices for various categories of beneficiaries under the Public Distribution System.

Amount involved in Madhavpura Mercantile Cooperative Bank Scam

1030. SHRI KARNENDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that magnitude of the Madhavpura Mercantile Cooperative Bank Scam estimated by the Central Bureau of Investigation as the 843 crore has been estimated by the Reserve Bank of India at Rs. 1200 crore;

(b) if so, the basis on which the revised estimate has been arrived at; and

(c) the steps proposed to be taken to repair the all-round damages caused in the capital market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) A quick scrutiny of the books of accounts of Madhavpura Mercantile

Cooperative Bank Ltd. (MMCB) carried out by Reserve Bank of India (RBI) has established that the bank had granted unauthorized creidt facilities, mostly unsecured, to companies/firms connected with stock brokers to the tune of Rs. 1082.22 crores which includes advances/overdratfs of Rs. 843.57 crore to companies in which either Ketan V. Parekh or his close relatives were directors. The investigation by Central Bureau of Investigation (CBI) is still in progress.

(c) In order to strengthen the institutional arrangements in the capital markets and to make it safer and more transparent, the Securities and Exchange Board of India (SEBI) has taken several measures which include setting up of surveillance systems on the stock exchanges, risk management measures such as implementation of circuit filters and uniform intra-day price bank, margin system, intra-day trading and gross exposure limits for stock brokers linked with capital adequancy, etc. SEBI has also suggested amendments to the Securities Laws to the Cantral Government which contain provisions which would enable it to investigate stock price manipulation cases more effectively.

Restructuring of Department of Income Tax in A.P.

1031. DR. ALLADI P. RAJKUMAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have restructured the Department of Income Tax in Andhra Pradesh and created senior posts there;

(b) if so, the number of Chief Commissioners of Income Tax at present; and

(c) the names of places where these commissionerates are based at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) There are 4 Chief Commissioners of Income-Tax and 1 Director General of Income-Tax in Andhra Pradesh.

(c) 3 Chief Commissioners of Income-Tax and 1 Director General